

## **APPENDIX A: 1996 PROGRAM RESULTS**

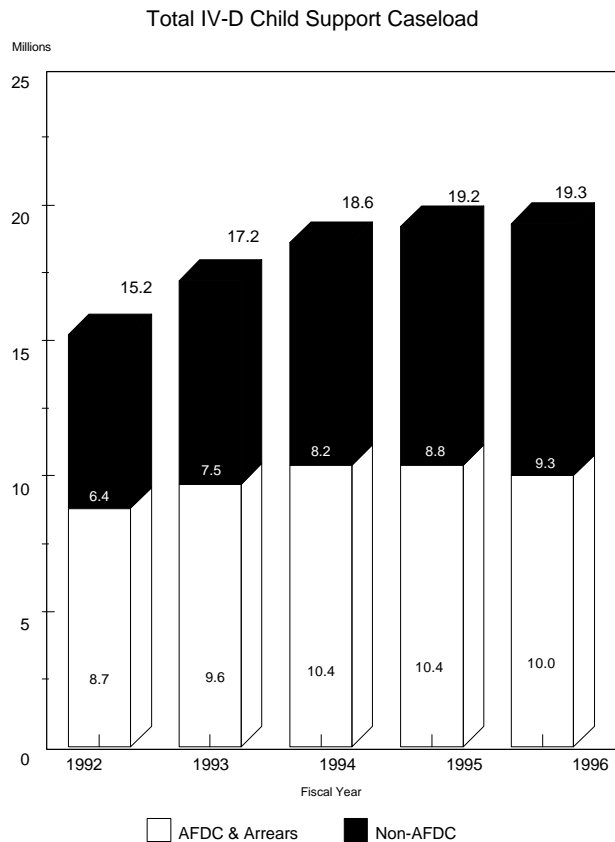
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### **Summary of FY 1996 Program Results**

The following series of charts and graphs with accompanying descriptions highlight selected program information for FY 1996 or show five year programmatic trends in the CSE program.

The data from which these figures were developed are from reports completed by individual State CSE agencies and aggregated by OCSE for the nation.

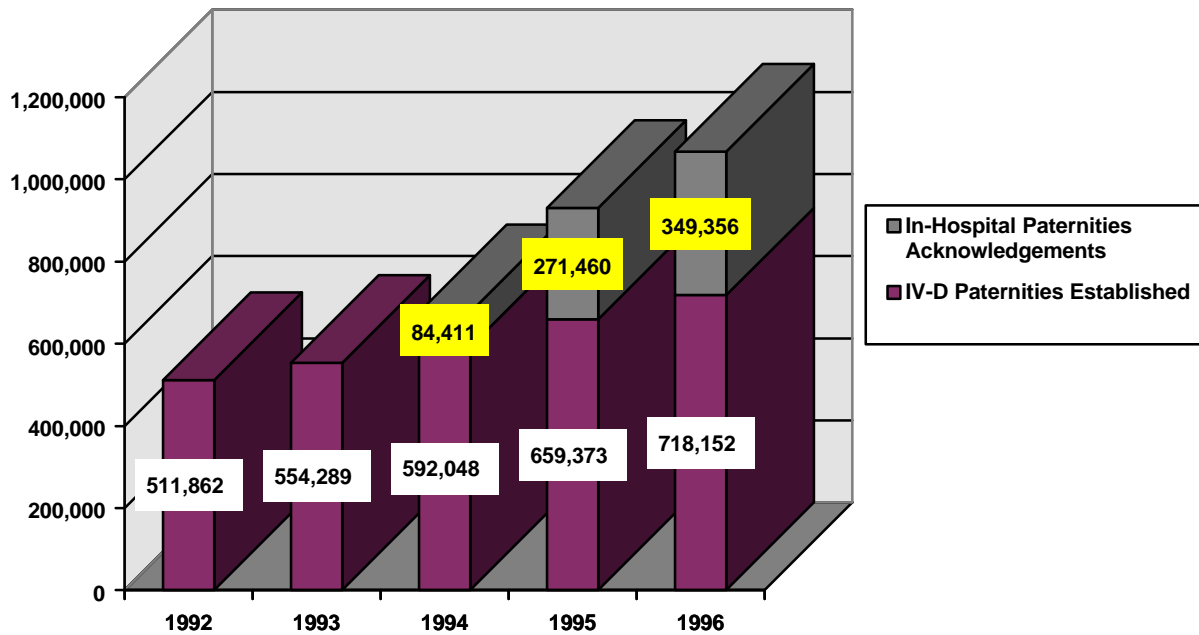
Individual State information is available in the State Box Scores and State Data Tables.



Welfare Reform Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was passed in August of 1996. Numbers reflected in this chart continue to show the AFDC breakdown since States had not implemented TANF at the time that the information was reported to OCSE.

The total IV-D Child Support caseload is an average of the quarterly case counts of all noncustodial parents who are now or may eventually be obligated under law for the support of one or more dependent children. Nationally, the Child Support Enforcement program had 19.3 million cases in FY 1996, an increase of almost 1 percent over fiscal year 1995 and 27 percent since FY 1992. Cases where families were referred to the Child Support agency because they are receiving AFDC and title IV-E Foster Care are classified as AFDC/FC cases; cases where the custodial parents applied for child support enforcement services or are receiving Medicaid but not AFDC services are called non-AFDC cases. During the five-year period from 1992 to 1996, the non-AFDC portion of the caseload increased by 45 percent, while the AFDC and AFDC Arrears caseload increased by 14 percent.

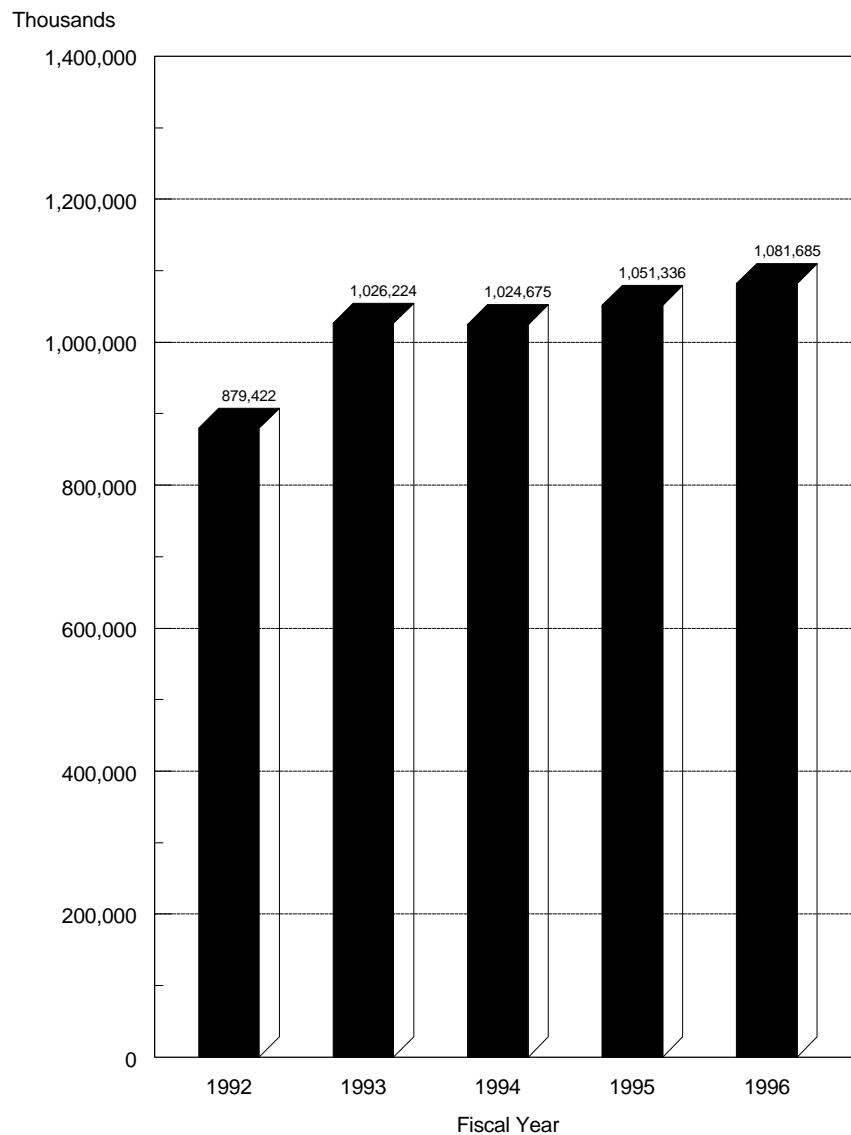
## Total IV-D Paternities Established



Some States voluntarily report in-hospital information to OCSE. In-hospital numbers include an unknown number of acknowledgments for children in the IV-D caseload and children outside the IV-D caseload.

The number of children for whom paternity has been established has grown steadily over the past five years. The combined total of in-hospital paternities acknowledged and IV-D paternities established was 1,067,508 for fiscal year 1996. In fiscal year 1992, 511,862 IV-D paternities were established by the State Child Support Enforcement agencies. By 1996, this had increased by 40 percent to 718,152 paternities established. The total number of in-hospital paternities acknowledgments for fiscal year 1996 was 349,356. In-hospital paternities are reported on a voluntary basis. In FY 1996 we had data from 35 States.

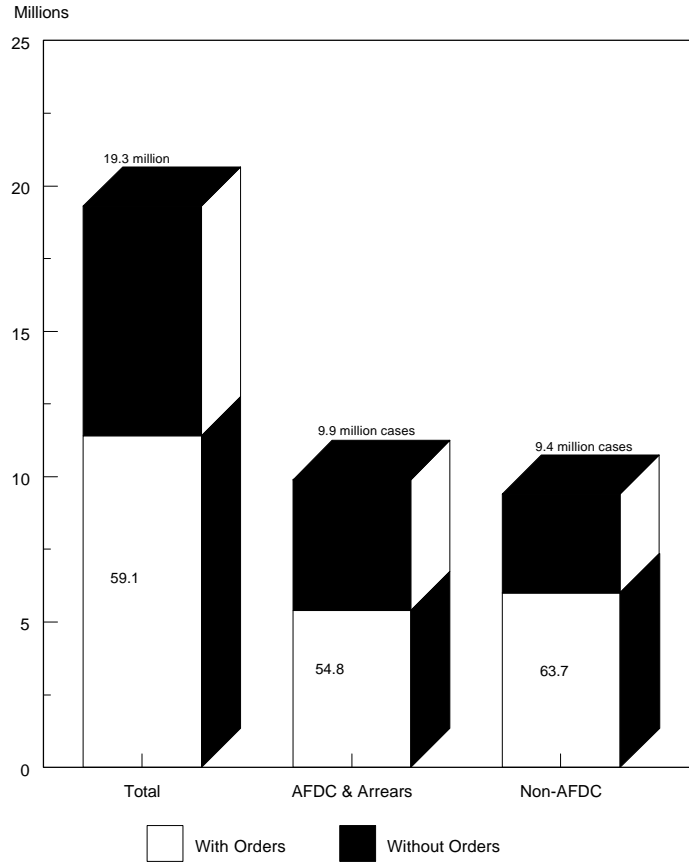
## Support Orders Established



The legal establishment of an order to pay child support is a prerequisite to collecting child support. In FY 1996, the Child Support Enforcement program established 1,081,981 support orders. The number of child support orders established have increased by more than 23 percent over the last five years.

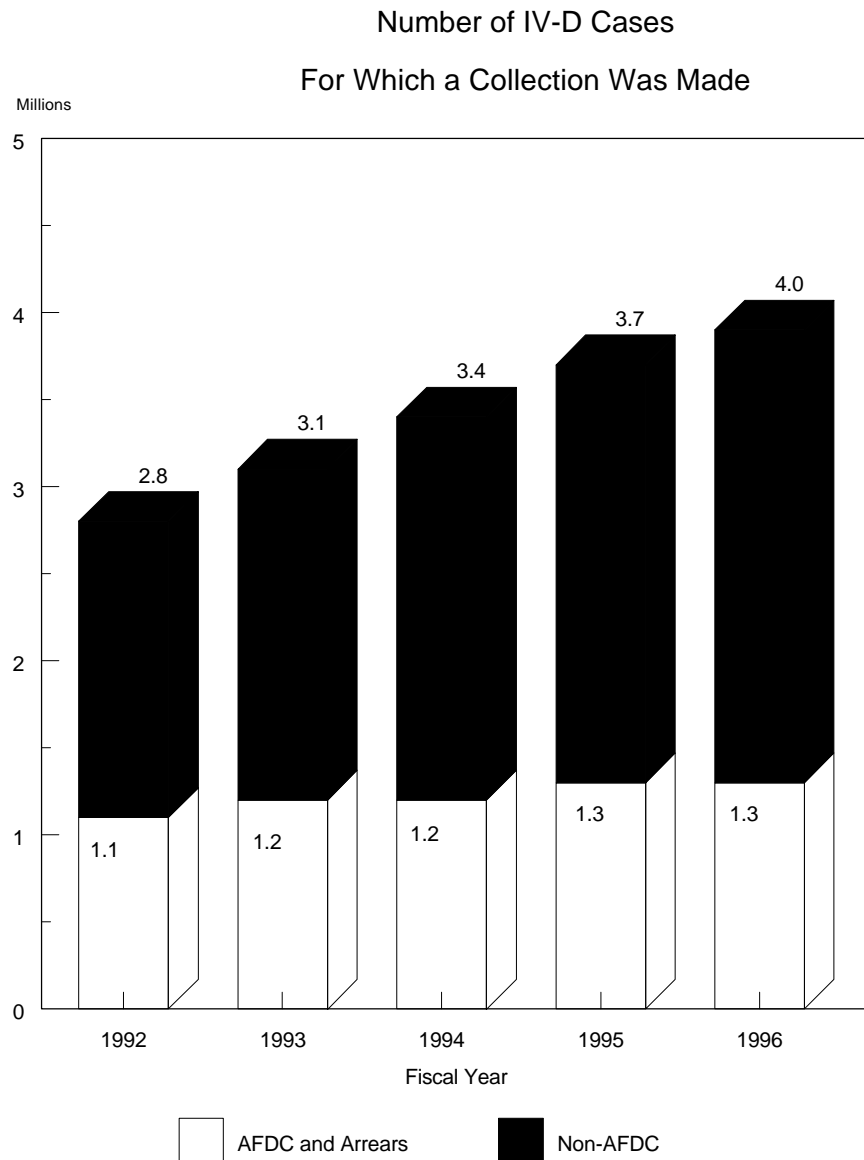
# IV-D Cases With and Without Orders

FY 1996

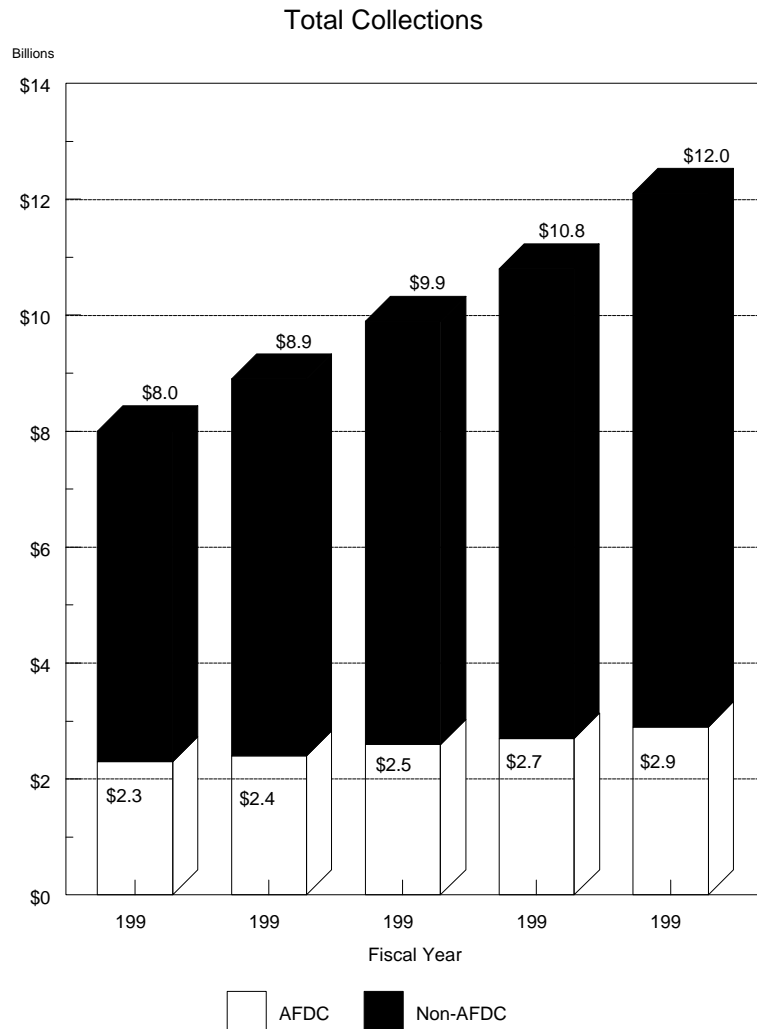


Welfare Reform Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) was passed in August of 1996. Numbers reflected in this chart continue to show the AFDC breakdown since States had not implemented TANF at the time that the information was reported to OCSE.

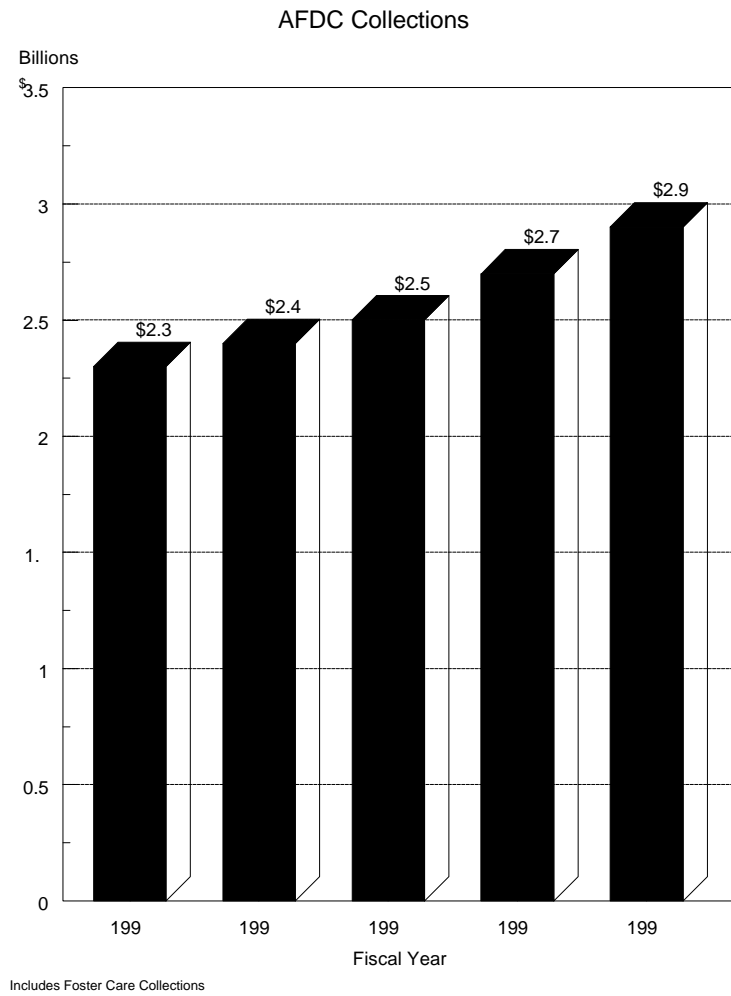
States report the number of cases remaining open on the last day of each quarter that have support orders established. Of the 19.3 million cases in the child support caseload in FY 1996, some 59 percent had support orders 54.8% of AFDC cases had orders and 63.7% of Non-AFDC.



States report the number of cases in which a collection was made during the second month of each quarter. In FY 1996 there were nearly 4.0 million cases with a collection in the child support enforcement program. This is an increase of 1 percentage from over fiscal year 1995. Paying cases accounted for 20% of the Child Support Enforcement caseload; this figure has risen since FY 1992 when the figure was 18.7 percent.



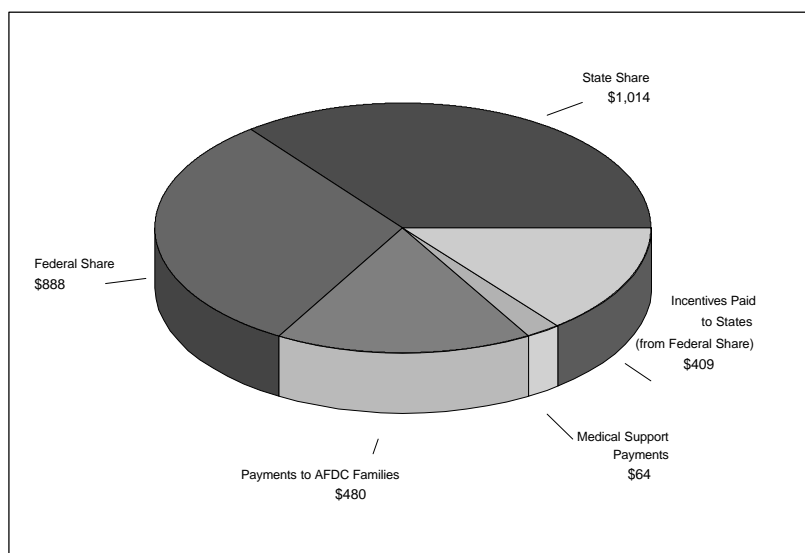
Total child support collections are the amounts collected by the program and distributed during the year on behalf of families receiving benefits from the AFDC, Title IV-E foster care and Medicaid programs and non-AFDC families who have applied for child support services. In FY 1996, collections reached a record high of \$12.0 billion, a 11 percent increase over FY 1995. Non-AFDC collections accounted for 76 percent of the total amount collected.



AFDC collections, including title IV-E Foster Care collections, amounted to \$2.9 billion in FY 1996. This is an increase of 6 percent over the previous year and a 26 percent since FY 1992.

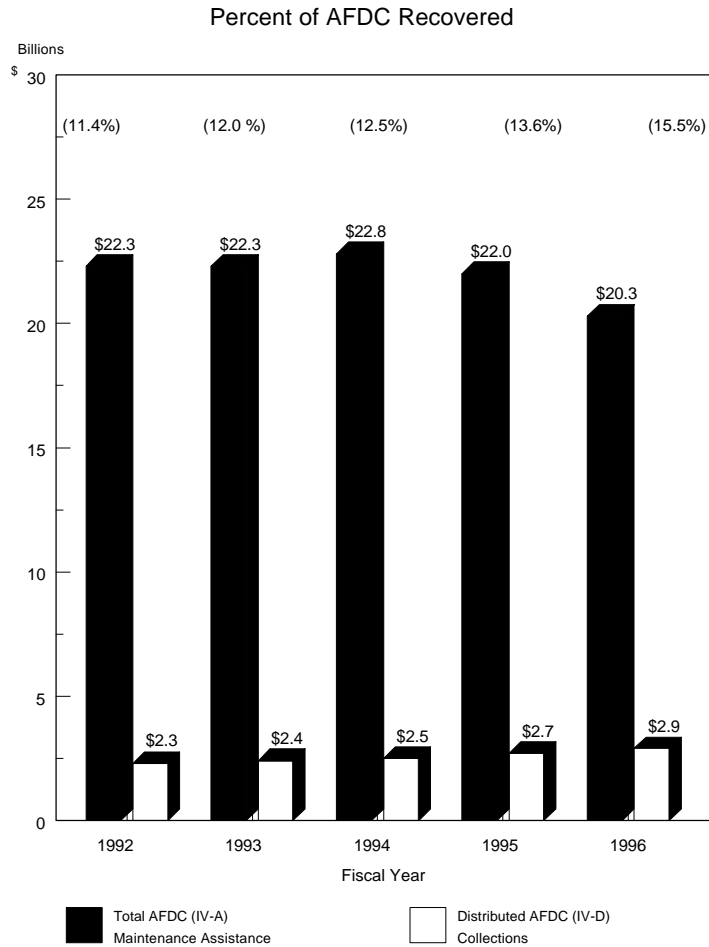


Distribution of AFDC Collections, FY 1996  
\$2.9 BILLION

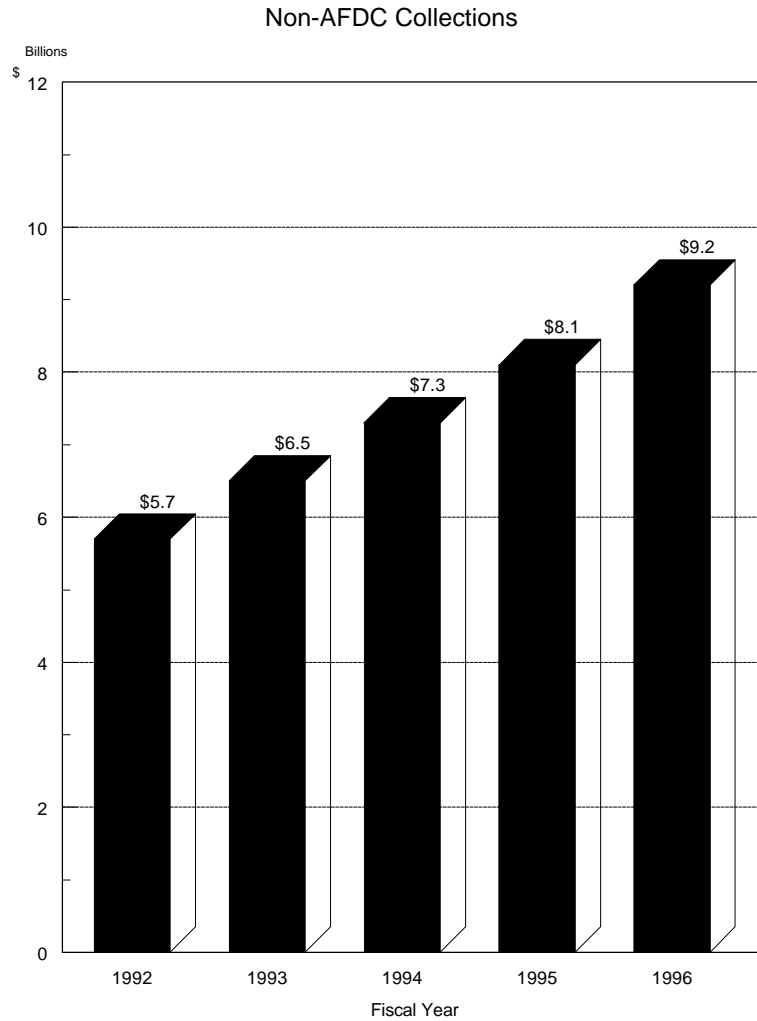


Numbers in thousands.

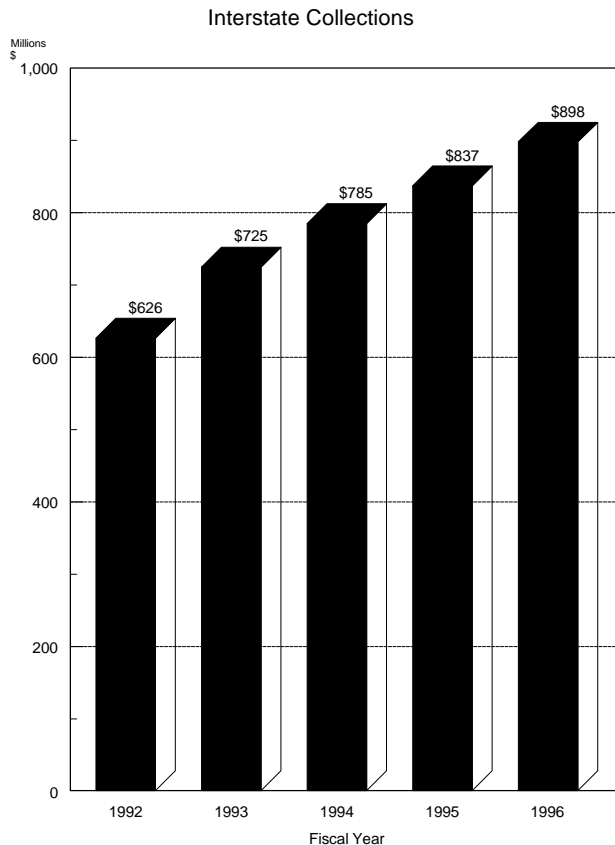
The Federal and State governments retain portions of AFDC child support collections as reimbursement for (title IV-A) AFDC payments to families. In FY 1996, States kept \$1.0 billion as their share of AFDC payment reimbursements and received an additional \$409 million in collection incentives from the Federal share of AFDC collections. The Federal share of the \$2.9 billion collected in AFDC cases amounted to \$888 million after incentives were distributed. In FY 1996, AFDC families received over \$480 million in support collections through the Child Support Enforcement program.



The AFDC recovery rate is the percent of AFDC assistance payments recovered through child support collections. The AFDC recovery rate rose to a high of 15.5 percent in FY 1996. It should be noted that even if States could collect all of the child support due, it would not be possible for some to recover 100 percent of the title IV-A grant money. This is largely because AFDC assistance payments often exceed child support award levels.



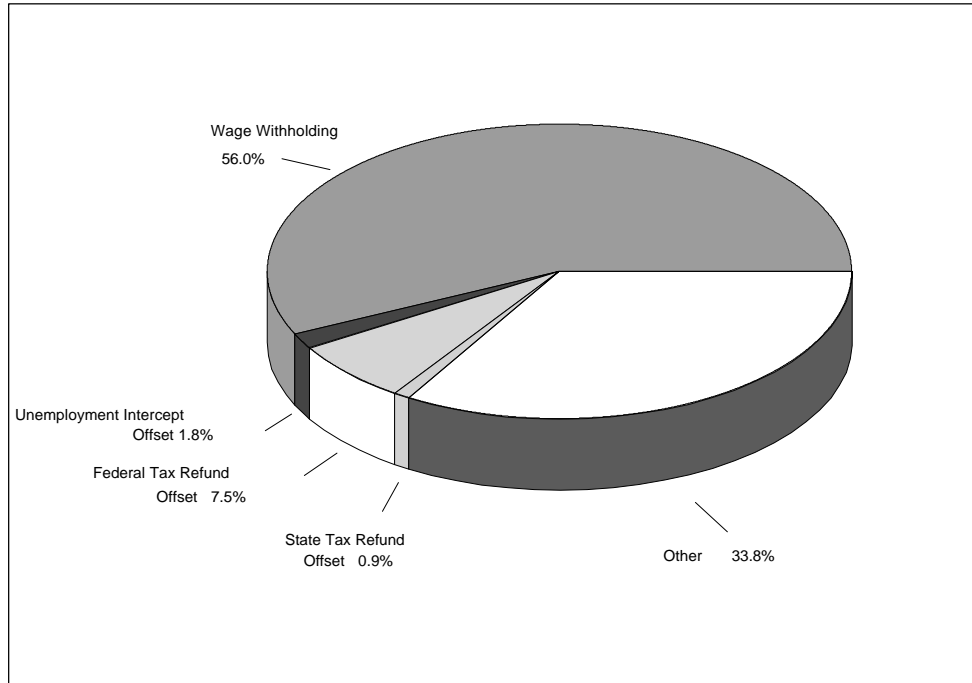
Non-AFDC distributed collections are child support payments made on behalf of and distributed to families who have applied for Child Support Enforcement services. In FY 1996, non-AFDC collections rose to \$9.2 billion, an increase of almost 13 percent since the previous year and a 61 percent increase since FY 1992.



Collections made on behalf of families in other States totaled a record \$898 million in FY 1996, an increase of 7 percent. Since 1992, interstate collections rose by 43 percent: these increases may reflect better communications and cooperation among the States. A State's distributed collection amount does not include collections made on behalf of other States. Hence, total distributed collections do not reflect the total efforts put forth by one State to collect for another. In some cases, a substantial amount of child support is collected by one State on behalf of other States.

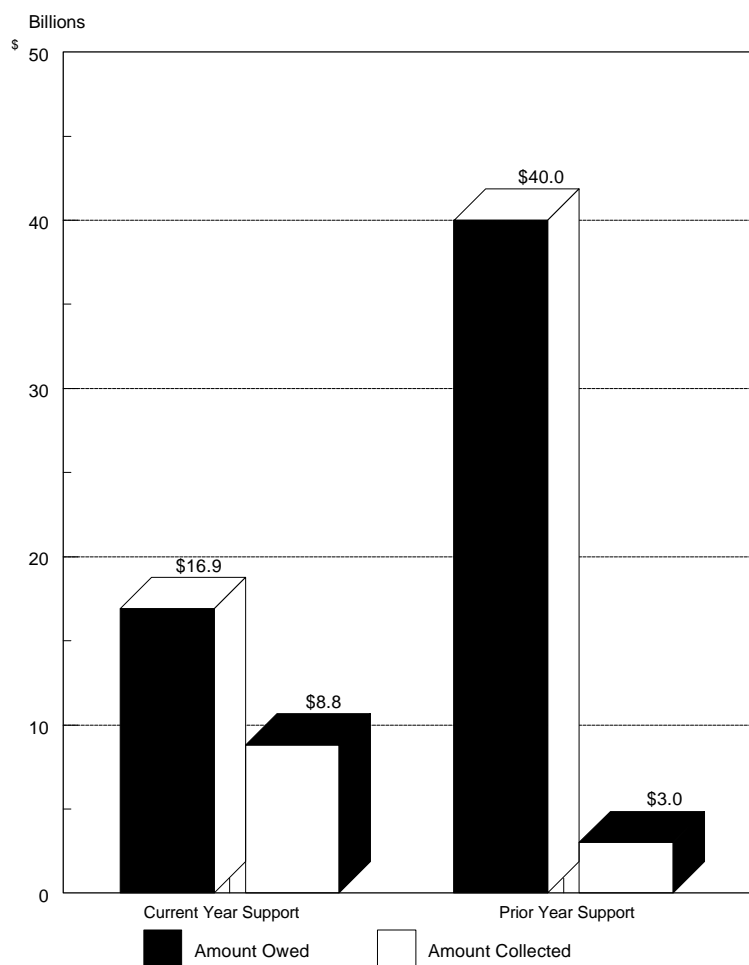
## Total Collections by Method of Collections

FY 1996 - \$12.0 BILLION



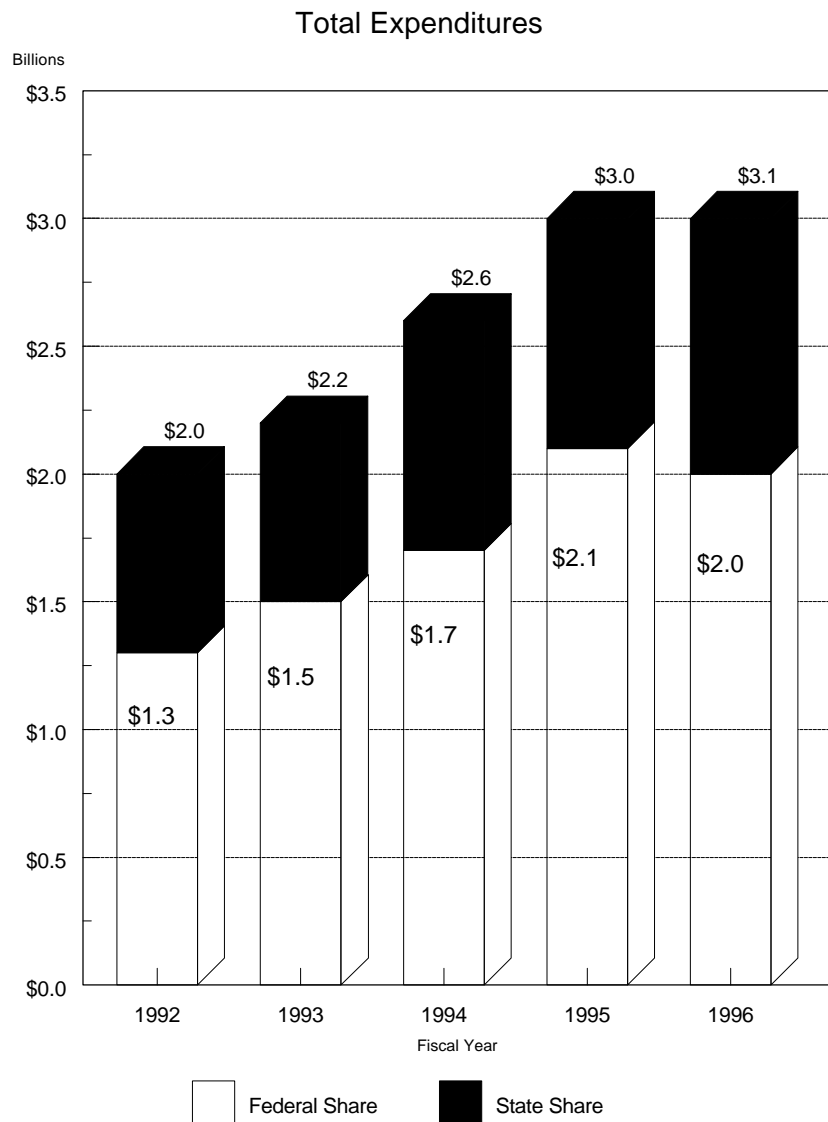
There are various ways in which child support payments are made. Wage withholding, withholding of unemployment compensation, and State income tax refund offsets are all powerful enforcement techniques. However, wage withholding is by far the most effective, totaling 56 percent of all collections in FY 1996. Federal and State income tax refund offsets contributed 8 percent and 1 percent, respectively; and the withholding of unemployment compensation accounted for about 2 percent of total collections. The remaining 34 percent of collections was obtained from parents who sent their child support payments directly to the State Child Support Enforcement agency, payments received through other enforcement techniques, or collections received from other States.

### Accounts Receivable, FY 1996



Accounts receivable data present the total dollar amount of child support payments due and received by IV-D agencies. Information reported for FY 1996 indicates that \$16.9 billion in current support and \$40.0 billion in prior years support was due. Almost \$8.8 billion or 52 percent of the current support due was collected. Of prior years support due, only \$3.0 billion or 8 percent was collected. Comparisons of States' accounts receivable data are complicated because States count arrearages differently based on State laws and practices. For example, some States include unreimbursed public assistance as a debt and others do not. Some States have statutes of limitations governing collection of debt, some assess interest

on arrearages which becomes part of the amount due, and some have policies for writing off bad debts.



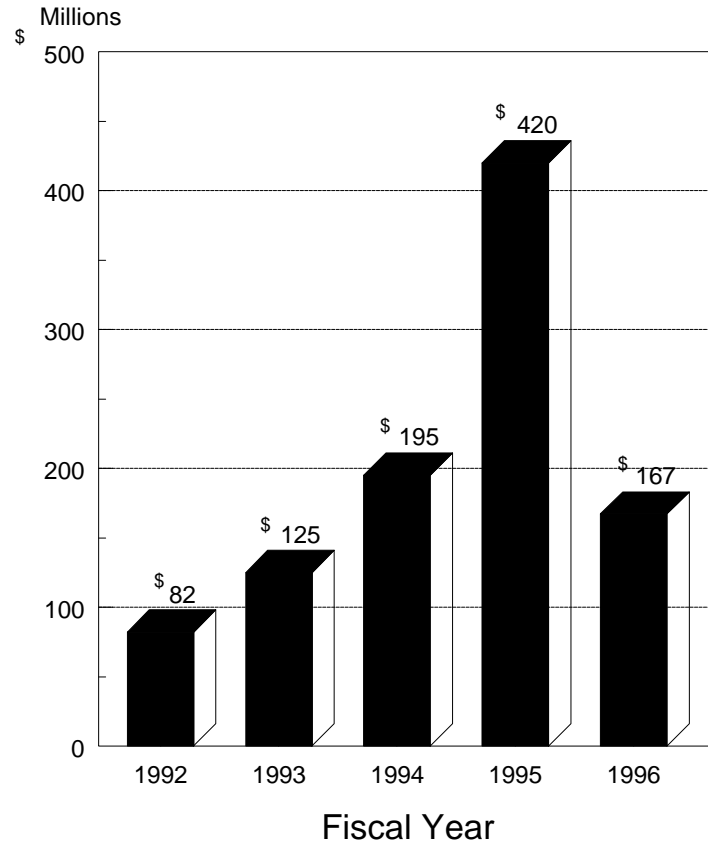
Total expenditures are the net amounts of combined Federal and State funds expended on the operation of the CSE program. The amounts reported are reduced by the amount of program income (fees and costs recovered in excess of fees, interest earned, and other program income received) received by the States. Total expenditures were \$3.1 billion in FY 1996, a slight increase of 1.4 percent over FY 1995. Of this \$3.1 billion, \$2.0 billion was the Federal share and \$1,015 million was the States' share. The increases in program costs over the last five years are heavily impacted by the costs of developing and implementing automated systems, as required by the Family



Support Act of 1988.

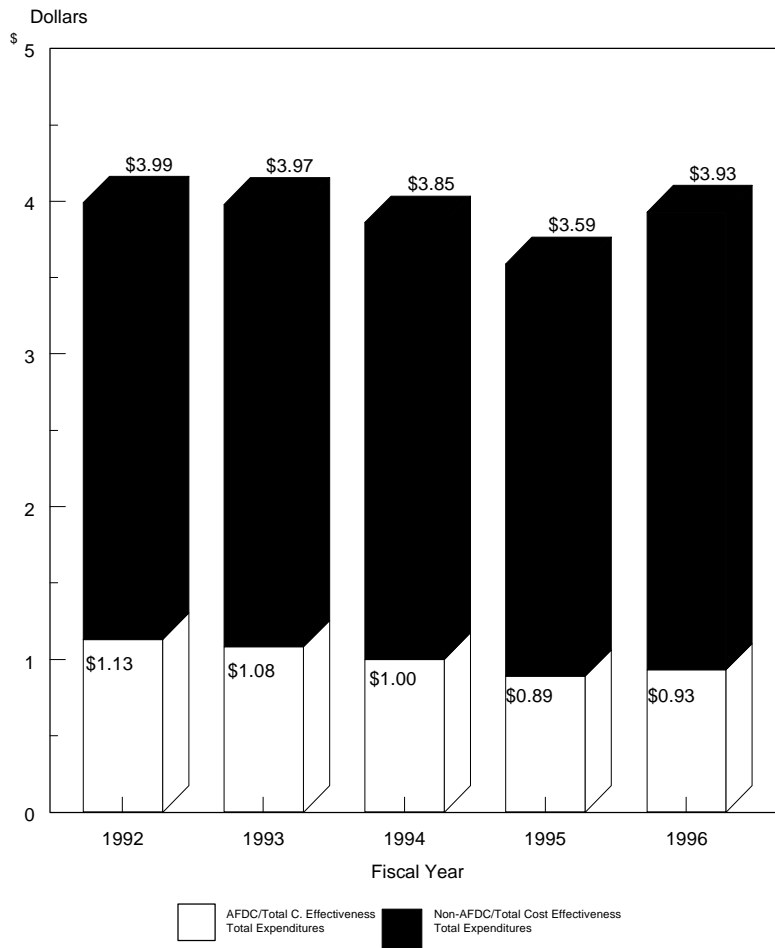
## ADP Expenditures At Enhanced Rate

FY 1996



Automated Data Processing (ADP) expenditures are for the planning, development, and implementation of automated child support systems and for the acquisition of operational hardware utilized in these systems. ADP expenditures at the enhanced rate was \$167 million in FY 1996 compared to \$420 million in FY 1995.

# Total Collections per Dollar of Administrative Costs



Nationally, almost \$4.00 in child support payments are collected for every \$1.00 spent to administer the Child Support Enforcement program. During the five-year period FY 1992 to FY 1996, the ratio of total child support collections to total administrative costs has fluctuated and remains in the vicinity of \$4.00. This variation in cost effectiveness is largely due to the increases in expenditures for automated systems, which should have a long term beneficial impact on future program performance.